

MAINE WORKERS' COMPENSATION BOARD COMPLIANCE AUDIT REPORT

January 09, 2001

Tokio Marine Management, Inc.
101 Park Avenue
New York, NY 10178-0095

Claims Covered by Audit: 1998, 1999 & 2000 Dates of Injury

Companies Covered by Audit:

Tokio Marine & Fire NCCI# 14281

Examination by: Noreen Lyons, Auditor

Reviewed and Approved by: Steven Minkowsky, D.D.B.A.

The results of the audit and the procedures followed have been explained to:

Name:	Title:	Date:
Don DiFabrizio	Business Manager, Corporate Claims Division	October 30, 2000

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SUMMARY

The Audit Division of the Maine Workers' Compensation Board examined all claim files for the years audited (1998,1999,2000) to determine compliance with statutory and regulatory requirements in the following areas:

- Form filing
- Timeliness of indemnity payments
- Accuracy of indemnity payments

Our audit of the sample group revealed:

There was one claim for the period audited. This one claim was denied with a Notice of Controversy (WCB-9). There were no indemnity payments made and the employee did not pursue the claim. The WCB-9 was filed 22 days after notice or knowledge. The Board requires the WCB-9 to be filed within 14 days of notice or knowledge per Rule 1.1(1) and Rule 1.2.

Form filing compliance 100%.

- There were no indemnity payments.

Tokio Marine's records were examined to ensure that all 1998, 1999, 2000 lost-time claims had been reported to the Workers' Compensation Board. All claims were found to have been reported to the Board at the time of audit. Tokio Marine's claims were found to be 100% compliant for First Report filings.

PENALTIES

B. Maximum Penalties Allowed by Law

◆ 39-A M.R.S.A. Sec. 359(2)

“In addition to any other penalty assessment permitted under this Act, the board may assess civil penalties not to exceed \$10,000 upon finding, after hearing, that an employer, insurer or 3rd-party administrator for an employer has engaged in a pattern of questionable claims-handling techniques or repeated unreasonably contested claims. The board shall certify its findings to the Superintendent of Insurance, who shall take appropriate action so as to bring any such practices to a halt. This certification by the board is exempt from the provisions of the Maine Administrative Procedure Act.”

◆ 39-A M.R.S.A. Sec. 360(1)(A)

“The board may assess a civil penalty not to exceed \$100 for each violation on any person: Who fails to file or complete any report or form required by this Act or rules adopted under this Act;”

◆ 39-A M.R.S.A. Sec. 360(1)(B)

“The board may assess a civil penalty not to exceed \$100 for each violation on any person: Who fails to file or complete such a report or form within the time limits specified in this Act or rules adopted under this Act.”

◆ 39-A M.R.S.A. Sec. 360(2)

“The board may assess, after hearing, a civil penalty in an amount not to exceed \$1,000 for an individual and \$10,000 for a corporation, partnership or other legal entity for any willful violation of this Act, fraud or intentional misrepresentation. The board may also require that person to repay any compensation received through a violation of this act, fraud or intentional misrepresentation or to pay any compensation withheld through a violation of this Act, fraud or misrepresentation, with interest at the rate of 10% per year.

INDEMNITY BENEFITS

A. Prompt Initial Payment of Benefits

Claim was NOC'd, there were no payments made.

1998, 1999, 2000

Number Percent

Check Mailed Within:

0-14	Days	Compliant	n/a
15-28	Days		0
29+	Days		0
Total Due			0 100%

B. Prompt Subsequent Payment of Benefits

Claim was NOC'd, there were no payments made.

1998, 1999, 2000

Number Percent

Check Mailed Within:

0-7	Days	Compliant	n/a
8-14	Days		0
15+	Days		0
Total Due			0 100%

C. Accuracy of Average Weekly Wage

Claim was NOC'd, there were no payments made. AWW was not required to be determined.

1998, 1999, 2000

Number Percent

Calculated:

Correct	Compliant	n/a
Incorrect		n/a
Unknown		
Total		0 100%

D. Accuracy of Weekly Benefit Rate

Claim was NOC'd, there were no payments made. Benefit rate was not required to be determined.

1998, 1999, 2000

Number Percent

Calculated:

Correct	Compliant	n/a
Incorrect		n/a
Unknown		
Total		0 100%

FORM FILING

A. First Report (WCB-1)

		1998, 1999, 2000	
		Number	Percent
Received at the Board:			
Filed	Compliant	1	100%
Not Filed			
Total		1	100%

B. Wage Statement (WCB-2)

WCB-2 was not required.

		1998, 1999, 2000	
		Number	Percent
Received at the Board:			
Filed	Compliant	n/a	
Not Filed			
Total		0	100%

C. Schedule of Dependent(s) Statement (WCB-2A)

WCB-2A was not required.

		1998, 1999, 2000	
		Number	Percent
Filed	Compliant	n/a	
Not Filed			
Total		0	100%

D. Memorandum of Payment (WCB-3)

WCB-3 was not required.

		1998, 1999, 2000	
		Number	Percent
Received at the Board:			
Filed	Compliant	n/a	
Not Filed			
Total		0	100%

E. Discontinuance or Modification (WCB-4)

WCB-4 was not required.

1998, 1999, 2000		
		Number Percent
Received at the Board:		
Filed	Compliant	n/a
Not Filed		
Total		0 100%

F. Certificate of Discontinuance or Reduction of Compensation (WCB-8)

WCB-8 was not required.

1998, 1999, 2000		
		Number Percent
Received at the Board:		
Filed	Compliant	n/a
Not Filed		
Total		0 100%

G. Notice of Controversy (WCB-9)

WCB-9 was filed with the Board 22 days after notice or knowledge

1998, 1999, 2000		
		Number Percent
Received at the Board:		
Filed	Compliant	1 100%
Not Filed		
Filed Late	1	
Total		1 100%

H. Statement of Compensation Paid (WCB-11)

WCB-11 was not required.

1998, 192000		
		Number Percent
Received at the Board:		
Filed	Compliant	n/a
Not Filed		
Total		0 100%